

Pillar
Limited

AR27

Directors'
Report and
Accounts

For the year
ended
31st Oct 1969

pillar pillar pillar

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Directors' Report and Accounts



The partially completed Post Office Savings Bank Headquarters at Cowglen, Glasgow

Three Pillar companies are directly contributing to this major contract. Mellows Metfab Limited are manufacturing and fixing anodised aluminium windows, doors and main entrance screens, galvanised steel windows, aluminium copes and flashings, 'bus shelters, directory cabins and proflit glazing. Pillar Patent Glazing Limited are manufacturing and fixing flat roof lights. The electrical installation work is by Phoenix Electrical Company Limited.

Architect:

The Ministry of Public Building and Works
(Superintendent Architect – G. A. H. Pearce, ARIBA)

Main Contractors:

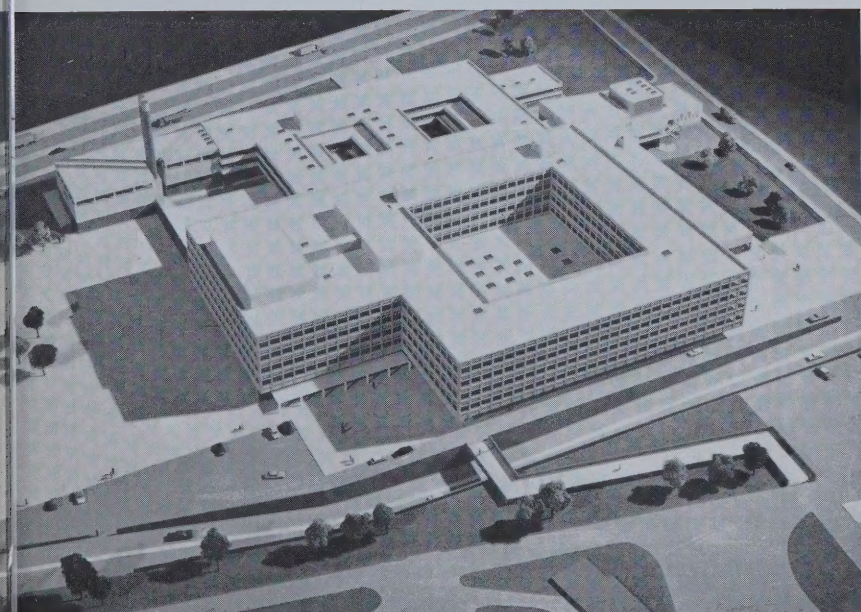
Sir Robert McAlpine & Sons Limited

Quantity Surveyors:

Muirhead, Muir and Webster

Left:

Aerial view of the Architect's model





New Extrusion Plant in Australia



The aluminium extrusion plant of Indalex Pty. Limited, just outside Sydney, became operational at the beginning of November, 1969. It was built and equipped in only eight months from the date when a decision was taken to establish an extrusion operation in Australia. Pillar now has nine aluminium extrusion plants in the United Kingdom, Canada, Germany and Australia, operating a total of thirteen extrusion presses.

Directors and Officials of the Company

Directors

J. A. PATERSON (*Chairman*)
D. FREDJOHN (*Managing Director; also Managing Director of the Aluminium Division*)
H. BART-SMITH
G. E. BORRETT, MBE
H. R. FRASER
B. MANNING (*Personnel Director*)
J. W. MAYO
D. R. MILLER, CA (*Financial Director*)
R. C. PATERSON
R. W. REYNOLDS (*Managing Director of the Building Products Division*)
P. SHELBOURNE
J. D. B. SMITH, CBE, DSO, CD (*Managing Director of the Engineering Division*)
M. B. P. STEDALL, OBE, TD
W. E. TRACEY (*President of the Indal Canada Limited Division*)

Secretary

A. C. R. ELLIOTT (*Executive Assistant to the Chairman*)

Registrars

CHARTERHOUSE REGISTRARS LIMITED
Granby House, 95 Southwark Street, London SE1

Bankers

NATIONAL WESTMINSTER BANK LIMITED
ROYAL BANK OF SCOTLAND

Solicitors

LINKLATERS & PAINES

Auditors

ARTHUR YOUNG McCLELLAND MOORES & CO.
COOPER BROTHERS & CO.



The Year at a Glance

	1969	1968
	£'000	£'000
Sales to external customers	56,165	49,634
Profit before taxation	4,370	3,292
Profit after taxation	2,411	1,879
Profit attributable to Pillar Shareholders	1,988	1,542
Profit retained plus depreciation	1,670	1,462
Interim dividend of 15% (1968: 15%)	443	375
Proposed final dividend of 22½% (1968: 17½%)	665	478
	1,108	853
Equity earnings —%	67.3	56.5
per share	16.2d.	13.6d.
Profit before taxation as a % of sales	7.8	6.6

Financial Calendar

Dividend payable to members on the register at the close of business on:	12th March, 1970
Annual General Meeting to be held on:	1st April, 1970
Final dividend to be paid on:	9th April, 1970
Interim results for 1969/70 to be announced in the last week of:	July, 1970
Interim dividend for 1969/70 to be paid on:	9th October, 1970

Notice of Meeting

Notice is hereby given that the Forty-fourth Annual General Meeting of Pillar Limited will be held at the Abercorn Rooms, Liverpool Street, London, E.C.2, on Wednesday, 1st April, 1970, at 12 noon, for the purpose of considering and, if thought fit, passing the following Ordinary Resolutions which will be proposed as ordinary business:

1. That the Directors' Report, Statement of Accounts and Auditors' Report for the year ended 31st October, 1969, be received and approved.
2. That a final dividend be declared for the year ended 31st October, 1969, of 22½ per cent., gross, on 29,557,538 Ordinary Shares of 2s. each in the capital of the Company, such dividend to be payable on 9th April, 1970, to Members on the Register at the close of business on 12th March, 1970.
3. That Mr. H. Bart-Smith be re-elected as a Director.
4. That Mr. H. R. Fraser be re-elected as a Director.
5. That Mr. R. W. Reynolds be re-elected as a Director.
6. That, until otherwise resolved by the Company in General Meeting, the Directors be authorised to fix from time to time the remuneration of the Auditors for the time being of the Company, for the financial year ended 31st October, 1969 and each succeeding financial year.

Lee House,
London Wall,
London, E.C.2.
4th March, 1970.

By Order of the Board,
A. C. R. ELLIOTT,
Secretary.

Notes:

1 A Member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a Member of the Company.

2 There are available for inspection at the Registered Office of the Company, Lee House, London Wall, London, E.C.2, during usual business hours on any week-day (Saturdays excepted):

(a) The Register of Directors' interests kept pursuant to the provisions of the Companies Acts 1948 and 1967.

(b) The Register of Shareholders individually holding shares of a nominal value equal to one-tenth or more of the nominal value of the Company's share capital.

(c) A statement made up to 5th February, 1970, for the period since 31st January, 1969, of all transactions of each Director and of members of his family in the share capital or debentures of the Company and any of its subsidiaries.

(d) A copy or written memorandum of each Contract of Service not expiring or determinable by the employing company, without payment of compensation, within one year, of any Director of the Company with the Company or any of its subsidiaries.

Such documents will also be available for inspection at the place of Meeting for at least 15 minutes prior to and during the Meeting.

Report of the Directors

To be presented to the Forty-fourth Annual General Meeting to be held on Wednesday, 1st April, 1970, at 12 noon.

The Directors submit their report and the audited accounts for the year ended 31st October, 1969.

Profit and Appropriations

The profit of the Group and the appropriations thereof are set out in the Group Profit and Loss Account on page 20.

Dividends

An interim dividend on 29,547,913 Ordinary Shares of 2s. each of 15 per cent. gross, amounting to £443,219, was paid on 10th October, 1969, in respect of the year ended 31st October, 1969. The Directors recommend an increased final dividend for the year, on an issued capital of 29,557,538 Ordinary Shares, of 22½ per cent. gross, absorbing a further £665,045. This final dividend will, if approved, be paid on 9th April, 1970, to Members on the register at the close of business on 12th March, 1970.

Composition and Activities of the Group and Changes during the Year

Pillar Limited is the parent company of the Group with its head office in London. The names, activities and locations of its principal subsidiaries and associates are set out on pages 18 and 19.

Since 31st October, 1968:

The Group has acquired: (i) the entire issued share capitals of A. Arden & Co. Limited and Arcion-Stedall Limited, both private companies; (ii) the outstanding 14.5 per cent., 8 per cent. and 10 per cent. of the issued share capitals of W. Rollett & Son Limited, A. Revai & Co. (Chemicals) Limited and Acorn Anodising Company Limited, respectively, not already owned by it; and (iii), after 31st October, 1969, the outstanding 25 per cent. of the issued share capital of Archital Luxfer Limited, not already owned by it.

Indal Canada Limited has acquired: (i) the entire issued share capital of Reliance Windows Limited ("Reliance") and 85 per cent. of the issued share capital of Hialco Manufacturing Limited, with which Reliance has since been merged to form Hialco-Reliance Manufacturing Limited; (ii) the outstanding 50 per cent. of the issued share capital of Mississauga Aluminum Industries Limited, not already owned by it; and (iii) a further 25 per cent. of the issued share capital of Commercial Aluminum Products Limited, bringing its holding to 80 per cent. Since 31st October, 1969, Indal Canada Limited has agreed to acquire 50 per cent. of the entire undertaking and assets of Western Aluminum Products Limited.

The Group has sold (i) the entire issued share capitals of General Piped Television Limited and Cardiff Glazing & Mirror Products Limited; and (ii) 18.2 per cent. and 20 per cent. of the issued share capitals of Ano-Coil Limited and Robinson, King & Co. (Chelmsford) Limited, reducing its holding to 54.2 per cent. and 80 per cent., respectively. In addition, 15 per cent. of the issued share capital of Pilag Limited, which was previously wholly-owned, has been subscribed by the Aga Group of Sweden. The Group's investment in K.W. Chemicals Limited has been reduced from 58 per cent. to 51 per cent. on the exercise of its final option by the minority shareholder, a subsidiary of Pechiney St. Gobain of France. Mellows Windows Limited, B. Attewell & Sons Limited, Robinson, King & Co. Limited and Robinson, King & Co. (Glazing) Limited have been placed in members' voluntary liquidation.

The Group has promoted: (i) Pillar Australia Limited and its subsidiary, Indalex Pty. Limited, in Australia; (ii) Formalloy Limited and Acorn Hardas Limited in the United Kingdom; and (iii) RAM Partitions Limited in Canada. More information about these companies is given in the list of companies on pages 18 and 19 and in the Chairman's Statement.



Report of the Directors continued

6 per cent. Convertible Unsecured Loan Stock 1983/88 ("Loan Stock")

In the early summer of 1969, £1,648,266 of the outstanding Loan Stock was converted into 2,060,333 Ordinary Shares of 2s. each and the unconverted balance of £2,884 was repaid in cash at par.

Public Offering of Indal Canada Limited Shares

In January, 1969, Indal Canada arranged a public offering of 150,000 of its Common Shares at a price of Can.\$15 per Share; quotation in respect of all Indal Canada's Common Shares was obtained on the Toronto Stock Exchange early in March, 1969. Of the 150,000 Shares offered, 100,000 were new Shares issued by Indal Canada and 50,000 were sold from the existing holdings of the minority shareholders. As a result of this offering the Group's interest in Indal Canada was reduced from 73.95 per cent. to 65.8 per cent. It has since been reduced further to 64.9 per cent. by the exercise of certain share options by Indal Canada executives and of rights under certain Share Purchase Warrants.

Directorate

The present composition of the Board of Directors of the Company is set out on page 3. Mr. M. B. P. Stedall retires at the forthcoming Annual General Meeting under the provisions of the Articles of Association but, since he will shortly reach the retirement age of 65, he has indicated that he does not wish to be re-elected. Since the end of the year Mr. G. W. Flint has retired from the Board and Mr. H. R. Fraser of Charter Consolidated Limited has been appointed an additional Director; Mr. Fraser retires at the forthcoming Annual General Meeting under the provisions of the Articles of Association and, being eligible, offers himself for re-election.

Also in accordance with the Articles of Association, Mr. H. Bart-Smith and Mr. R. W. Reynolds retire from the Board by rotation and, being eligible, offer themselves for re-election.

Directors' Interests in the Group

According to the Register kept under Section 29 of the Companies Act 1967, the interests of Directors and their families in Shares, Loan Stock and Debentures of Pillar Limited or any of its subsidiaries were as follows:

	Holding at beginning of year of Ordinary Shares of 2s. each of Pillar Limited and of Common Shares of Indal Canada Limited		Holding of such Shares at end of year	
	Pillar Shares	Indal Canada Shares	Pillar Shares	Indal Canada Shares
Mr. J. A. Paterson	17,049	—	40,086	100
Mr. D. Fredjohn	11,666	—	11,666	1,000
Mr. H. Bart-Smith	5,000	—	5,000	—
Mr. G. E. Borrett	5,996	—	5,996	—
Mr. G. W. Flint	—	—	—	—
Mr. B. Manning	4,654	—	7,154	—
Mr. J. W. Mayo	3,360	—	3,360	—
Mr. D. R. Miller	924	—	924	—
Mr. R. C. Paterson	—	—	300	1,250
Mr. R. W. Reynolds	700	—	2,000	—
Mr. P. Shelbourne	2,000	—	2,000	—
Major-General J. D. B. Smith	10,000	—	20,000	—
Mr. M. B. P. Stedall	4,185	—	1,150	—
Mr. W. E. Stracey	15,000	5,000	5,000	7,500



Report of the Directors continued

In addition:

- (a) At the beginning of the year, Mr. J. A. Paterson and Mr. B. Manning were respectively beneficially interested in £9,150 and £2,000 6 per cent. Convertible Unsecured Loan Stock 1983/88 of Pillar Limited. In April, 1969, these holdings were converted into Ordinary Shares of 2s. each in Pillar.
- (b) Both at the beginning and at the end of the year, Mr. M. B. P. Stedall held £2,000 4½ per cent. Debenture Stock of Pillar Commercial Companies Limited.
- (c) The interests of Directors, as Trustees of Settlements in which they had no beneficial interests, in Ordinary Shares of 2s. each in the Company were as follows:

	Holding at beginning of year	Holding at end of year
Mr. J. A. Paterson	40	40
Mr. H. Bart-Smith	—	3,000
Mr. G. E. Borrett	37,346	36,743
Mr. P. Shelbourne	51,876	62,500
Mr. M. B. P. Stedall	15,000	15,000

At 1st November, 1968, there existed arrangements under the Company's Share Option Scheme to enable Directors to acquire Shares in the Company. The particulars are as follows:

Director	Date of Grant	Price Paid	Ordinary Shares of 2s. each	Option Price per Share
Mr. J. A. Paterson	1st September, 1965	1s. per 100 Shares	30,000	13s. 10d.
Mr. D. Fredjohn	1st September, 1965	1s. per 100 Shares	30,000	13s. 10d.
Mr. B. Manning	1st September, 1965	1s. per 100 Shares	20,000	13s. 10d.
Mr. D. R. Miller	1st September, 1965	1s. per 100 Shares	20,000	13s. 10d.
Mr. R. W. Reynolds	1st September, 1965	1s. per 100 Shares	20,000	13s. 10d.
Major-General J. D. B. Smith	1st September, 1965	1s. per 100 Shares	20,000	13s. 10d.

During the year, Mr. B. Manning, Mr. R. W. Reynolds and Major-General J. D. B. Smith exercised their options in part and at 31st October, 1969, they had outstanding options over 10,000, 15,000 and 10,000 Pillar Shares, respectively. No other options over Pillar Shares were exercised by Directors during the year nor were any further options granted to Directors during the year.

At 1st November, 1968, Mr. W. E. Stracey had outstanding an option to subscribe for 7,500 Common Shares in Indal Canada Limited at a subscription price of Can.\$4 per Share. On 21st January, 1969, Mr. Stracey exercised his option to the extent of 2,500 of such Shares and at 31st October, 1969, he had outstanding an option over the balance of 5,000 Shares.

Details regarding the times when options may be exercised are set out in Note 20 to the Accounts.

Apart from subscriptions to the public offering of Common Shares in Indal Canada referred to above, none of the Directors has or had a beneficial interest in any contract of significance to which the Company or any of its subsidiaries was a party during the financial year.

Report of the Directors continued

Substantial Shareholdings

According to the Register kept pursuant to the provisions of the Companies Act 1967, the only person holding or beneficially interested in a substantial part of the equity share capital of the Company is Charter Consolidated Limited, which holds 3,981,221 Ordinary Shares of 2s. each, representing 13.5 per cent. of the equity share capital at the date of this Report.

Capital Structure

During the year the Company issued Ordinary Shares of 2s. each as follows:

	Ordinary Shares of 2s. each
Acquisition of Shares in Supermet Limited under Section 209 of the Companies Act 1948	19,159
Acquisition of the balance of the issued share capital of W. Rollett & Son Limited	44,918
Acquisition of the balance of the issued share capital of A. Revai & Co. (Chemicals) Limited	29,962
Conversion of £1,648,266 6 per cent. Convertible Unsecured Loan Stock 1983/88	2,060,333
Acquisition of the entire issued share capital of A. Arden & Co. Limited	73,563
Exercise of options under the Company's Share Option Scheme	42,000
Total Shares issued during the year	2,269,935
Shares in issue at 31st October, 1968	27,284,603
Shares in issue at 31st October, 1969	29,554,538
Since 31st October, 1969, the Company has issued Shares on the exercise of options under the Company's Share Option Scheme	3,000
Shares in issue at the date of this Report	29,557,538

Analysis of Turnover and Profit and Exports

The sales and the contribution to profit, before taxation, of the different classes of business of the Group are shown in the Group Profit and Loss Account on page 20. The sales and the contribution to profit, before taxation, of the Group's overseas interests and the Group's exports from the United Kingdom are shown in Note 2 to the Accounts.

Fixed Assets

The movements in fixed assets during the year are set out in Note 5 to the Accounts.

Employees

The average number of persons employed by the Group in each week of the year and their aggregate remuneration for the year were as follows:

	Average Number of Employees	Aggregate Remuneration
United Kingdom	6,207	£7,432,000
Overseas	1,166	£2,373,000



Report of the Directors continued

Political and Charitable Contributions

During the year the United Kingdom companies in the Group made contributions for charitable purposes amounting to £758. No contributions were made for political purposes.

Finance Act 1965

The Company is not a close company as defined by the Finance Act 1965.

Auditors

The Company's joint auditors, Arthur Young McClelland Moores & Co. and Cooper Brothers & Co., remain eligible and, in accordance with Section 159 of the Companies Act 1948, both will continue in office.

Lee House,
London Wall,
London, E.C.2.
4th March, 1970.

By Order of the Board,
A. C. R. ELLIOTT,
Secretary.

Chairman's Statement

Profits and Sales

The profit for the year ended 31st October, 1969, amounted to £4,370,000 before taxation, compared with £3,292,000 for the previous year. Profit after taxation attributable to Shareholders for the year was £1,988,000, which represents equity earnings of 67.3 per cent. (16.2d. per Share) on a share capital consisting of 29,557,538 Ordinary Shares of 2s. each; the equity earnings for the previous financial year were 56.5 per cent. (13.6d. per Share) on a share capital consisting of 27,307,012 Ordinary Shares of 2s. each. There has therefore been an improvement of approximately 19.1 per cent. in equity earnings.

During the year £1,648,266 6 per cent. Convertible Unsecured Loan Stock 1983/88 was converted into 2,060,333 Ordinary Shares of 2s. each and United Kingdom Corporation Tax was increased from 42.5 per cent. to 45 per cent.; the effect of these events has been to reduce equity earnings by 3.7 percentage points and 2.6 percentage points respectively.

Virtually all the increase in group pre-tax profits of £1,078,000, or 32.7 per cent., is attributable to internal growth, including reorganisation savings. This is particularly encouraging in view of the difficult economic conditions which continued to prevail during 1969 in the United Kingdom and the very unsettled labour conditions which developed in Canada during the summer of that year. Like all other companies operating in the United Kingdom, Canada and Germany, Pillar has had to absorb numerous cost increases and the cost of money has been at an unprecedentedly high level. The Group's improvement during the year is, therefore, a reflection of the greater efficiency of most of the operating units at a time when there has been little or no opportunity of increasing the prices of products or services.

Again, all areas of activity within the Group made their contribution to the increased sales and profits. Group sales to third parties were approximately £56,000,000, compared with £50,000,000 for the previous year, being an increase of 12 per cent., compared with the increase of 32.7 per cent. in pre-tax profits. Despite the continued and inexorable increases in costs, pre-tax profits were 7.8 per cent. of sales, compared with 6.6 per cent. in the previous year.

Dividends and Finance

The annual rate of dividend has remained at 32.5 per cent. since 1965 and, in the last two years, your Board's attitude towards the dividend rate has, of course, been controlled by Government policy. However, in view of the improved results achieved and as an indication of the confidence of your Board in the prospects of the Group in the future, it has been decided to recommend a final dividend of 22.5 per cent. for the year under review to provide, combined with the interim dividend of 15 per cent. paid last October, a total dividend of 37.5 per cent. Your Board constantly has under consideration the appropriate dividend level, but decisions regarding increases in dividend must, in the interests of Shareholders, be taken in the light, in particular, of the expected continued growth of the Group's volume of business and of the cash resources which this growth will require.

During the year under review, the Group spent £3,900,000 on expanding facilities, including £2,200,000 on new buildings, additions to existing buildings and new plant; an additional £1,700,000 was required for working capital to support the growth in sales. This compares with £1,700,000 and £700,000 respectively in the previous year. A level of investment comparable to that made in 1968/69 is planned for the current year, with a view to creating new capacity and generating further growth. This puts into perspective the emphasis placed on the internal expansion of the Group.

Adequate arrangements have been made with the Group's bankers to provide, with the Group's own internal cash generation, the finance required for the further expansion which is expected in the current year.

Your Board is considering the replacement of some of the Group's short term borrowings with long term debt; steps will be taken to effect this when the financial climate improves.



Chairman's Statement continued

Acquisitions and Disposals

For the first time in recent years, the Group made no material new acquisitions during the year, although it did, to a minor extent, increase its shareholding in several subsidiaries. Such new acquisitions as were effected were in line with the Company's policy of rounding off and supplementing the product lines of the business activities in which the Group is already involved.

Indal Canada Limited ("Indal Canada") is already the largest independent semi-fabricator and fabricator of aluminium products in Canada and is substantially integrated in the important areas of Ontario and British Columbia. In December, 1969, an opportunity occurred of taking a 50 per cent. interest in the Canadian Group's largest customer in the Prairie Provinces, namely Western Aluminum Products Limited ("Western"), with an expanding business in the fabrication of aluminium architectural products and components for mobile homes. With Indal Canada's existing extrusion, anodising, acrylic painting and rollforming activities in Calgary, this new partnership in Western will give the Group the same measure of integration in the Prairie Provinces that it has developed in Ontario and British Columbia.

As predicted in last year's report, the sale of General Piped Television Limited was completed during the year.

Reorganisation

In my Statement to you last year, I outlined the reorganisation, initiated in 1968, of the Group's United Kingdom subsidiaries manufacturing architectural metal products. This reorganisation has proceeded steadily in accordance with the original plans and the three principal subsidiaries engaged in manufacturing the Group's standard range of aluminium and steel windows, curtain walling and patent glazing all contributed to the profits of the Group; they are expected to make an increasing contribution from now on.

Considerable reorganisation has also been undertaken in other areas, particularly in the United Kingdom, in connection with the glass companies and the companies selling engineering supplies. These steps, which are now nearing completion, should result in increasing profits from those areas in future years.

The facilities, product lines and management structures of the operating units in the Group have, in your Board's opinion, been much improved in recent years; in practically all cases these provide a strong base for increases in sales, production efficiency and profits.

Group Trading

There was in all areas a high level of activity, particularly, as is usual, in the second half of the financial year. There was also greater productivity and market penetration, which offset the general and unrelenting pressure on margins. All this, combined with the reorganisation and rationalisation referred to above, has helped to combat inflation and has actually resulted in improved margins. The consequence has been a substantial rise in the Group's profit.

ALUMINIUM AND BUILDING PRODUCTS

GENERAL

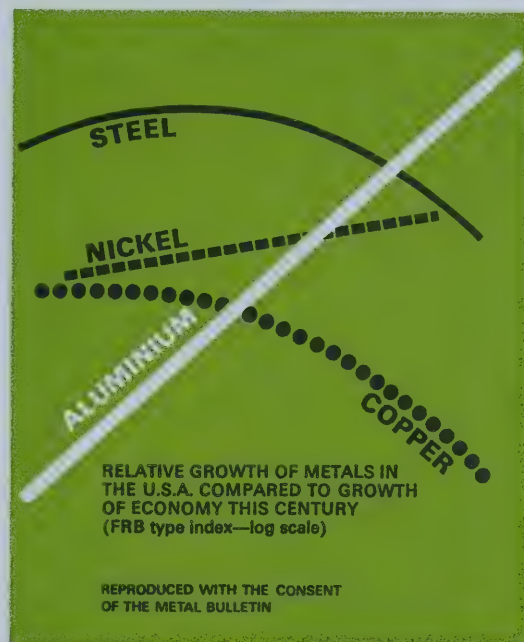
Since the fabrication of aluminium constitutes the major part of the Group's business, shareholders will be interested to view the Group's performance in the context of the world aluminium situation. World sales of aluminium continued to be strong in 1969, so much so that the raw metal in its ingot form was, for the first time since the Korean war, in short supply. However, arrangements had earlier been made to ensure continuity of supply during the period of shortage, so this had no adverse impact on the Group. With the substantial additional smelter capacity which is planned to come into production in various parts of the world in the next three years, shortage of metal is not expected to be a problem.

Chairman's Statement continued

The metal shortage in 1969 coincided with an increase in the world price of raw aluminium, backed up by a corresponding increase in the list price of semi-manufactured aluminium products in the main markets in which the Group operates.

The consequent improvement to the Group's profit margins was limited by the fact that it was not possible in some cases to achieve the new list prices. The Group will continue to plan for additional profit growth through the improved efficiency of its operations and the higher than average potential for an increase in sales volume in those particular areas of the aluminium industry in which the Group has chosen to specialise.

As I pointed out in my Report last year, the aluminium industry as a whole has a much greater growth record and potential than almost any other basic industry, with an average annual rate of growth of 7-9 per cent. In this connection, Shareholders may be interested in the graph; while this compares the growth of four metals in the U.S.A. to the growth of the economy in this century, its particular significance lies in the growth of aluminium compared with the performance of steel, nickel and copper.



However, notwithstanding its relatively spectacular growth, the aluminium industry has been bedevilled over the last decade by low profits in relation to capital employed. There are a number of explanations for this but suffice it to say that there are areas of the industry where it is possible to achieve a satisfactory return; the Pillar management has consciously restricted its involvement to those areas, such as the extrusion, surface finishing, stocking and distribution of aluminium and the manufacture and sale of aluminium building products, where there is, and is expected to be, both a faster rate of growth than for the industry as a whole and an attractive return on investment.

To quote some statistics illustrative of the fact that some areas of the aluminium industry are growing faster than others, the production of aluminium extrusions in Japan was approximately 18,000 tons in 1960, 68,000 tons in 1965 and 225,000 tons in 1968, or a compound growth rate of 37 per cent. per annum between 1960 and 1968. During the same period, the growth in the use of aluminium sheet products increased at a rate of only 14 per cent. per annum. The growth in the use of extrusions in Japan is phenomenal compared with almost any other market but it mirrors, though on an exaggerated scale, the higher growth rate of the use of extrusions in all parts of the world compared with the average of 7-9 per cent. per annum for the aluminium industry as a whole.

As another example, the change in the pattern of distribution has meant that the amount of aluminium semi-manufactures sold through stockists in the United Kingdom has increased by approximately 11 per cent. per annum between 1960 and 1968, although consumption of these products increased by only 4 per cent. during the same period. There has also, in almost all industrial countries, been an increase in the use of aluminium surface-finishing and injection-moulded diecasting well above the average growth in the overall use of aluminium.

Another activity with higher than average growth, in which the Group is engaged in both the United Kingdom and Canada is the supply and fitting of aluminium shopfronts. The penetration of aluminium into this market has been, and continues to be, impressive. In 1964 aluminium accounted for only 5 per cent. of the total shopfronts and entrances market in the United Kingdom; by the end of 1966 its use for new and renovated shopfronts had risen to 30 per cent.; and by the end of 1969, this figure had risen to over 50 per cent.



Chairman's Statement continued

It is because of this market selectivity that the Company and its Shareholders will continue to be able to benefit from their business being primarily involved in the profitable areas of this growing industry.

UNITED KINGDOM

All operating units had a successful year. As in previous years, the extrusion operation at Cheltenham made a major contribution, as did the Group's nation-wide stockist network and the roll-forming company. The excellent recovery achieved last year by the specialist tube-drawing company was maintained and improved.

Additional extrusion and anodising capacity is in the process of being installed at Cheltenham. The principal stockist company, now named Metal Centres Limited, has been extensively reorganised and expanded during the year and the integration with London Metal Warehouses Limited is proceeding according to plan; Metal Centres is developing attractive additional sales volume through stocking stainless steel, some additional non-ferrous products and specialised fastenings, to supplement its position as the largest distributor of aluminium in the country.

As a result of the reorganisation and rationalisation of the architectural companies referred to earlier, the Group now has a series of strong and well-managed units, which are making an increasing contribution to Group profits; they specialise in standard ranges of products and have minimised costly custom design and site work.

While Pillar has been rationalising its own architectural companies, there has been a considerable amount of reorganisation of the metal architectural industry in the United Kingdom; this is producing fewer, stronger and more profit-motivated units. These steps, which have been taken by others, are welcome because it is beneficial for all to have an industry which is generally healthy.

The attraction of Pillar's involvement in the building industry is the great potential which exists for the substitution of aluminium products for the more traditional materials, such as steel and wood, over which aluminium has many advantages. The United Kingdom, for various reasons, is a long way behind most other industrial countries in the use of aluminium building products but it is this very situation which provides such promise. The rate of substitution of aluminium for other materials is appreciably quickening and, therefore, even though the construction industry as a whole had a disappointing year in 1969, and may continue to be depressed for some time to come, your Board continues to be confident of increasing sales and profits in this area. When, inevitably, the building industry picks up again, the Group will be even better placed to take full advantage of the further opportunities generated for aluminium building products by such growth.

It is the belief of your Board that since the Group's building products are, principally, glass surrounded by an aluminium frame, it is advantageous for Pillar to be involved in both these materials in order fully to exploit the potential for aluminium building products in the United Kingdom. It is for this reason that the Group expanded its interests in 1967/68 in the field of glass merchanting and processing. In the year under review, a great deal of reorganisation work was undertaken—and partly remains to be completed—in connection with these activities; this will result in improved profits in the current year and a further improvement in profits in the years to come.

CANADA

Indal Canada's consolidated pre-tax profit was Can.\$1,914,000 compared with Can.\$1,833,000 for the previous year. This improvement was achieved despite the fact that the year was far from an easy one.

The activities of the Canadian Group were adversely affected by strikes, high interest rates, a general shortage of money, particularly for mortgages, and the deflationary policies of the Canadian Federal Government. In particular, from June, 1969, onwards, the entire Canadian economy, and especially the building industry, suffered badly from a number of labour disputes, which did not occur in the Group's own companies but which interrupted the businesses of most of its customers and many of its suppliers; these disputes made it impossible for customers to accept the volume of products which they otherwise would have purchased from the Group.



Chairman's Statement continued

As it was not possible in the short term to offset rising costs by increased selling prices, the Canadian Group intensified its policy of upgrading and diversifying plant and production facilities in order to improve efficiency and the range of products and services offered. Your Board is encouraged that this policy has already met with a great deal of success and that the Group's Canadian operations have been able to show a continuing pattern of growth, notwithstanding the unsatisfactory business climate prevailing during the year.

Since Canadian wage negotiations appear to move in a two-year cycle, it is hoped that 1970 will be a relatively stable year for those industries with which Indal Canada is most closely connected. Subject to unforeseen adverse economic and labour conditions in Canada, your Board expects a significant increase in the profits of the Canadian Group in the current financial year, quite apart from the additional profits which will accrue from the newly acquired half-share in the profits of Western.

GERMANY

The German aluminium extruding subsidiary, Indalpress Aluminium Profil G.m.b.H., has, in the year under review, begun to fulfil its promise and it made a pre-tax profit of £102,000. This company, though still a small unit, selling only about 5 per cent. of the aluminium extrusions sold in the important and fast-growing German market, has a high reputation for the quality of its products and its short delivery time. The Group is actively investigating opportunities for expansion in Germany.

AUSTRALASIA AND SOUTH-EAST ASIA

In my statement last year, I referred to Pillar's intention of establishing an aluminium complex in Australia similar to that which has been developed in Canada over the last five years. Since then, an Australian holding company, Pillar Australia Limited ("Pillar Australia"), has been formed, in which Pillar has 70 per cent. of the Ordinary share capital; the balance is owned by two Australian companies, namely International Pacific Corporation Australian Investments Limited and Australasian Assets Limited ("Australasian Assets").

The first activity of Pillar Australia has been to establish, in Sydney, an independent aluminium extrusion and anodising operation, called Indalex Pty. Limited; this has been set up on similar lines to those which Pillar has so successfully adopted in the United Kingdom, Canada and Germany. The decision to start this particular company was taken only in February, 1969 and it came into production, on schedule and within its capital budget, at the beginning of November of that year. Although it is still expected that some initial losses will be incurred in the current financial year, the performance of the company so far is significantly better than originally budgeted.

As Australia and the export markets available to it in that part of the world are likely to be one of the most dynamic growth areas of the next decade, your Board considers that it is in Shareholders' interests that Pillar should create and develop a substantial position in the aluminium industry in Australia and South-East Asia. Therefore, through a new company called Pillar Aluminium Pty. Limited ("Pillar Aluminium"), the equity share capital of which is to be equally owned by Pillar and Australasian Assets, and in conjunction with Slater Walker Securities (Australia) Limited ("Slater Walker") a bid is proposed for the entire issued share capital of Appleton Industries Limited ("Appleton"), the Brisbane based public quoted Australian company producing the internationally known NACO range of louvre and aluminium window products. If the bid is successful, Slater Walker will merge its Crittall Hope Far East aluminium window group with Appleton. Pillar and Australasian Assets will then, through Pillar Aluminium, jointly control approximately two-thirds of the capital of the combined company; the balance of the shares will remain in the hands of the general public and the intention is that the public quotation of the shares will be maintained.

Chairman's Statement continued

Appleton has factories in Brisbane and Sydney and subsidiary companies in the United Kingdom, South Africa and Italy. The Crittall Hope Far East Group has factories in Sydney, Melbourne and Perth, and subsidiary companies in New Zealand, Malaya, Thailand and Singapore. In the opinion of your Board, the acquisition of these would establish for Pillar a sound base for the further international expansion of its aluminium semi-fabricating interests, particularly in Australasia and South-East Asia.

ENGINEERING

In a year when the automobile and domestic appliance industries in the United Kingdom were faced with serious problems resulting from both Government fiscal policy and a number of serious labour disputes, the Engineering Division again returned satisfactory results with a contribution of 22 per cent. of the Group's pre-tax profits.

In view of the continuing strong demand for the products and services of this Division, your Board has approved plans for the extension and expansion of the activities of several of the engineering companies; these are expected to provide materially greater profits in the future, although their impact in 1969/70 will be limited. However, the completion of certain reorganisations will result in improved profit margins being achieved in the current year.

Product Development

The Management of the Group is conscious of the necessity and opportunity for developing new products and markets within or ancillary to the framework of the Group's activities. A great deal of development work has been completed or started during the year in connection with existing products and with products which are complementary to those which the Group already produces and markets. To give one example, a new partnership has been formed in a company called Formalloy Limited, which is planning to exploit a revolutionary method of cold extrusion of non-ferrous metals and, particularly, aluminium tubing, which will have technical and cost advantages compared with more traditional methods of production.

One event of particular interest during the year was the promotion in Canada of RAM Partitions Limited ("RAM"). Pillar has 70 per cent. of the capital, the other 30 per cent. being owned by the experienced and successful management team which runs RAM. The company manufactures and sells a complete system of moveable partitions made of metal and plastics; these partitions are used mainly in schools, hospitals and commercial buildings and have high growth potential.

Board and Management

Mr. G. W. Flint, a Director of the Company since 1966 and the representative of Charter Consolidated Limited, the largest individual shareholder of the Company, has reached retirement age. He is, therefore, retiring shortly from the Charter Consolidated Group and, in anticipation of this, he has, since the end of the year, retired from the Pillar Board; he has been succeeded on the Pillar Board by Mr. H. R. Fraser, a Director of Charter. Your Board values greatly the association with Charter Consolidated and it is very grateful for the contribution to the development of the Company which Mr. Flint made while he was a Director.

In June, 1970, Mr. M. B. P. Stedall will reach the age of 65, which is the normal retiring age for non-executive Directors within the Pillar Group. He has, therefore, indicated his decision not to offer himself for re-election as a Director at the forthcoming Annual General Meeting. Mr. Stedall has been a Director since 1962, when Stedall & Company, Limited joined the Group and he has given valuable assistance in the successful integration of the Stedall companies with other units of the Group.



Chairman's Statement continued

I would again like to thank my colleagues at all levels for their hard work and initiative and for the results which have been achieved during another difficult but successful year.

Conclusion

As you will have seen from this review, considerable internal growth has been achieved and a degree of reorganisation substantially completed. Pillar's proven record of success, the improvements that have been made to the Group's internal organisation, the market attractiveness of its main products in the aluminium field and your Board's plans for the expansion of the Group all augur well for the future. Despite the inevitable difficulties inherent in forecasting economic and industrial trends, particularly in what might well be an election year in the United Kingdom, your Board continues to be confident of the future and expects the growth of sales, profits and equity earnings of the Group to continue.

J. A. PATERSON,
Chairman.

Activities and Locations of Principal Subsidiaries and Associates

ALUMINIUM DIVISION

Aluminium Sales Limited (75%)
G. W. Aluminium Company Limited
Metal Centres Limited

Alloy Services (Tipton) Limited
Coventry Metal Bars, Limited*
Duraflex Housecrafts Limited
Ellay Enfield Tubes Limited*
Pilag Engineering Limited*
Formalloy Limited (70%)
Hamilton Chemicals Limited
Indalex Limited
Architectural Anodising Limited

K.W. Chemicals Limited (51%)

Minex Metals Limited
Pilag Limited (85%)
Pillar International Services Limited
Precision Metal Forming Limited
Pressweld Limited (87.5%)
Pressweld Aluminium Limited

A. Revai & Co. (Chemicals) Limited

Holding company
Stocking and distribution of aluminium
Stocking and distribution of aluminium and other non-ferrous metals, stainless steel and metal fastenings

Technical and fabricating services
Metal stockholders
Manufacture of draught excluders and D.I.Y. double glazing
Manufacture of drawn non-ferrous tubes
Manufacture of aluminium, steel and copper couplings
Cold extrusion of aluminium and other non-ferrous metals
Merchanting and distribution of chemicals
Aluminium extruding, painting, polishing and anodising
Manufacture of standard components for aluminium entrances and shopfronts
Merchanting and distribution of chemicals and aluminium and supply of machinery to the paint and plastics industries
Aluminium extruding
Licensee of tube couplings
Provision of international services
Fabrication of aluminium and steel building sheet products
Manufacture of aluminium wheel trims and metal pressings
Manufacture of bright anodised aluminium components for the automobile and domestic appliance industries
Merchanting and distribution of chemicals to the paint, plastics, pharmaceutical and chemical processing industries

London
Manchester
Tipton, Leeds, Bristol
Southampton, Enfield,
Glasgow, Cardiff,
Leicester, Thames
Ditton, Cheadle Hulme
Tipton
Coventry
Cheltenham
Maidenhead
Maidenhead
Maidenhead
London
Cheltenham
Cheltenham

London
Witham
London
Hamilton (Bermuda)
Cheltenham
Molesey
Gloucester

London

AUSTRALIAN DIVISION

Pillar Australia Limited (70%)
Indalex Pty. Limited

Holding company
Aluminium extruding and anodising

Sydney (Australia)
Sydney (Australia)

BUILDING PRODUCTS DIVISION

Acorn Anodising Company Limited

Acorn Hardas Limited (75%)
Ajax Architectural Group Limited
A. Arden & Co. Limited
Aluminium Home Improvements Limited
Archital Entrances Limited
Arcion-Stedall Limited
Universal Shopfitting Company (London) Limited

Ano-Coil Limited (54.2%)
Archital Luxfer Limited (Note 2)
Faulkner Greene & Company, Limited*
Indal Building Services Limited
Mellows Metfab Limited
Pillar Glass Limited
D. W. Price & Son Limited
D. W. Price (Peckham) Limited

Faulkner Greene (Glazing) Limited
Keizer (Glass) Limited

Mustill Wallis & Co. Limited
Robinson, King & Co. (Chelmsford) Limited (80%)

Pillar Patent Glazing Limited
Home Insulation Limited (100% of the "A" Shares representing 50.1% of the equity share capital. None of the "B" Shares representing the remaining 49.9%)

Anodising of aluminium

Hard anodising of aluminium
Holding company
Fabrication of industrial and architectural aluminium products
Fabrication and sale of double glazing and patio doors
Fabrication of aluminium entrances, shopfronts and cladding
Supply of architectural ironmongery and consultancy service
Shopfitting and joinery work

Continuous strip anodising
Manufacture of aluminium windows and curtain walling
Holding company
Building industry service company
Manufacture of steel windows
Holding company
Glass merchanting and processing
Glass merchanting and processing, distribution of aluminium shopfronts
Glass merchanting and processing
Glass merchanting and processing, distribution of aluminium shopfronts
Glass merchanting and processing
Glass merchanting and processing

Patent glazing and rooflight manufacturers and contractors
Marketing, manufacture and installation of double glazing systems

London, Birmingham
Bletchley
Boreham Wood
London
London
London
London
London
London

Bletchley
Portsmouth
London
London
West Bromwich
London
Wembley, Neasden
Peckham

London
Bootle

London, Cambridge
Chelmsford

London, Sheffield
Cheshunt

Notes

1. With the exception of Indalpress Aluminium Profil G.m.b.H. which was incorporated in Germany, Cégébat GP.S.A. which was incorporated in France, Indal Canada Limited and its subsidiaries and associates which were incorporated in Canada, Pillar Australia Limited and its subsidiaries which were incorporated in Australia, Phoenix Building Services (Barbados) Limited, which was incorporated in Barbados and Pillar International Services Limited which was incorporated in Bermuda, all the subsidiary and associated companies shown above were incorporated in Great Britain. Andrew Chalmers & Mitchell Limited and Phoenix Electrical (Scotland) Limited are registered in Scotland.

2. The above list of companies indicates corporate and managerial relationships and the percentage of the equity share capital owned by the immediate parent company. Except where indicated, the equity share capital and preference share capital (if any) of each company is, and was at 31st October, 1969, wholly owned by either Pillar Limited or a wholly-owned subsidiary of Pillar Limited. *Save where expressly stated, the existence of one class of preference shares is indicated by an asterisk; Hants

CANADIAN DIVISION

Indal Canada Limited (64.9% of the Common Shares. None of the Preference Shares)
Commercial Aluminum Products Limited (80%)
Dominion Aluminum Fabricating Limited (80%)

Eastland Metals Limited (78%)
Fashion Grilles Limited
Custom Rollforming Company Limited
(50.1% of the Common Shares, 50% of the First Preference Shares, 100% of the Second Preference Shares)
Hialco-Reliance Manufacturing Limited (85%)
Indalex Limited

Indal Products Limited

Lite Metal (Products) Limited
Mississauga Aluminum Industries Limited
RAM Partitions Limited (70%)
Western Aluminum Products (50%)

Westland Metals Limited

Holding company

Manufacture of aluminium entrances and shopfronts
Design and manufacture of aluminium railings, flagpoles, light standards, highway trusses and helicopter hangars
Fabrication of aluminium and steel sheet products
Manufacture and merchandising of hardware to the architectural industry
Fabrication of aluminium and steel roll-formed products

Manufacture of aluminium windows and patio doors
Aluminium extruding, painting, polishing and anodising and vinyl extruding

Manufacture of aluminium doors and windows, trailer windows and accessories

Manufacture of aluminium ladders
Aluminium extruding

Manufacture and marketing of dismantable and moveable partitions
Manufacture of aluminium doors and windows

Fabrication of aluminium and steel sheet products

Toronto (Canada)

Toronto (Canada)
Toronto (Canada)

Toronto (Canada)
Toronto (Canada)
Toronto (Canada)

Vancouver (Canada)
Toronto, Montreal,
Calgary, Vancouver
(Canada)
Toronto (Canada)

Toronto (Canada)
Toronto (Canada)
Brampton (Canada)
Calgary, Edmonton,
Saskatoon (Canada)
Calgary, Vancouver
(Canada)

ENGINEERING DIVISION

Aeroparts Engineering Company Limited
Air Engine Services Limited
Andrew Chalmers & Mitchell Limited
Hants and Sussex Aviation Limited (Note 2)
Hartle-Stedall Limited (100% of the "B" Shares representing 51% of the equity share capital. None of the "A" Shares representing the other 49%)

Derek Hartle Machine Tools Limited
Stedall-Pidgen Limited
Mellows Orb Engineering Limited
Peak Engineering Company Limited

B. Attewell & Sons (Engineering) Limited
Phoenix Electrical Company Limited (Note 2)
Phoenix Building Services (Barbados) Limited
Phoenix Electrical (Scotland) Limited
Pillar Engineering Supplies Limited

Pneumatic Components Limited (100% of the Ordinary Capital and 49.9% of the Redeemable Preference Shares)
Strebor Diecasting Co. Limited
J. P. Fielding & Co. Limited

Liver-Simpson (Galvanisers) Limited
The Burnell Galvanising Company Limited (50%)
Strebor (Locks) Limited
Welding Rods Limited

Westland Motor Company Limited

Precision engineering for the automotive and aircraft industries
Overhaul and repair of aero engines
Manufacture of cable glands, floodlights and light fittings for ships
Overhaul of aero engines and components
Holding company

Machine tool merchandising
Machine tool merchandising
Pressure diecasting in aluminium and zinc and plastic mouldings
Manufacture of quality machined components and assemblies

Light engineering
Electrical engineering and contracting
Electrical engineering and contracting
Electrical engineering and contracting
Engineers' merchants and stockists of ironmongery and domestic goods

Design and manufacture of garage and tyre inflation equipment, motor accessories and industrial pneumatic products

Manufacture of high pressure diecastings in aluminium and zinc
Hard and decorative chromium plating and manufacture of builders' hardware
Hot dip galvanizing
Hot dip galvanizing

Manufacture of barrel and pintumbler locks and pressings
Manufacture of welding electrodes, distribution of arc and gas welding equipment and consumables, hire of welding plant
Motor retailers and body repair specialists

Fabrication of aluminium and steel architectural products
Aluminium extruding, polishing and punching

Hereford
Lingfield
Glasgow
Portsmouth
Ashton under Lyne

Ashton under Lyne
London
Oldham
Stratford-upon-Avon,
Redditch
Cowley
London
Barbados
Glasgow
London, Bristol,
Manchester, Teddington, Waterlooville,
Burton on Trent,
Leicester
Sheffield

Radcliffe
Salford

Manchester
Liverpool

Radcliffe
Sheffield

Hereford

Paris (France)
Ehlsen, Bad Salzufen
(Germany)

EUROPEAN DIVISION

Cégébat GP. S.A. (6%)
Indalpress Aluminium Profil G.m.b.H. (90%)

and Sussex Aviation Limited has two such classes: 6% Non-cumulative and 8% Cumulative Redeemable. Phoenix Electrical Company Limited is a wholly-owned subsidiary of Faulkner Greene & Company, Limited. At 31st October, 1969, Archital Luxfer Limited was only 75% owned by the Group. Indal Canada's 50% interest in Western Aluminum Products (a partnership) was acquired after 31st October, 1969.

3. In addition to the above list, the Company has three wholly-owned subsidiaries, Pillar Aluminium Limited, Pillar Commercial Companies Limited and Pillar Engineering Limited, all of which are intermediate holding companies located in London.

4. In order to avoid particulars of excessive length, the above details deal only with those companies which principally affected the results and the amount of the assets; a number of comparatively small or inactive subsidiaries and associates have not been included. The totals of the profits and of the assets of these excluded companies are not material in relation to the amount of the profit or the amount of the assets of the Company and its subsidiaries.

Group Profit and Loss Account

for the year ended 31st October		1969	1968
	Notes	£'000	£'000
SALES TO EXTERNAL CUSTOMERS			
Aluminium and Building Products		44,445	38,149
Engineering		11,720	10,953
Relay and Rental Television		—	532
	2	56,165	49,634
PROFIT BEFORE TAXATION			
Aluminium and Building Products		3,917	2,863
Engineering		1,095	976
Relay and Rental Television		—	64
		5,012	3,903
<i>Less:</i>			
Head Office—Expenses and Interest		642	611
	1 to 3	4,370	3,292
TAXATION			
Taxation based on the profit of the year		2,060	1,520
<i>Less:</i>			
Relief in respect of losses of subsidiaries incurred prior to the acquisition of a controlling interest therein		101	107
	4	1,959	1,413
PROFIT AFTER TAXATION		2,411	1,879
Attributable to outside shareholders		423	337
PROFIT ATTRIBUTABLE TO PILLAR SHAREHOLDERS		1,988	1,542
ORDINARY DIVIDENDS			
Interim paid of 15% on 29,547,913 Shares		443	375
(1968 15% on 24,974,479 Shares)			
Proposed final of 22½% on 29,557,538 Shares		665	478
(1968 17½% on 27,307,012 Shares)			
		1,108	853
PROFIT ADDED TO REVENUE RESERVES	14	880	689
EXCEPTIONAL ITEMS—CHARGED TO REVENUE RESERVES	14	188	107

The notes on pages 23 to 31, together with the information on pages 18 and 19, form part of these accounts.



Group Balance Sheet

at 31st October			1969	1968
	Notes		£'000	£'000
FIXED ASSETS	5	8,664	8,597	
UNQUOTED INVESTMENTS	7	186	321	
		8,850	8,918	
CURRENT ASSETS				
Stocks and work in progress	8	10,117	9,442	
Less: Amounts receivable on account		1,659	2,076	
		8,458	7,366	
Debtors		16,694	13,863	
Cash and bank balances		469	388	
		25,621	21,617	
CURRENT LIABILITIES				
Creditors		12,745	10,715	
Borrowings under acceptance credits		650	700	
Bank overdrafts	9	5,082	4,356	
Current portion of bank and other loans	10	457	172	
Taxation		1,632	1,267	
Proposed final dividend of Pillar Limited		665	478	
		21,231	17,688	
NET CURRENT ASSETS		4,390	3,929	
Less:				
DEFERRED AND OTHER LIABILITIES				
Corporation tax payable between 1st November, 1970 and 1st July, 1971		777	767	
Bank and other loans	10	3,086	3,582	
Other liabilities		—	15	
		3,863	4,364	
EMPLOYMENT OF CAPITAL IN TANGIBLE ASSETS		9,377	8,483	
INTANGIBLE ASSETS				
Goodwill arising on consolidation	11	14,315	14,103	
Development and other expenditure carried forward	12	175	51	
		14,490	14,154	
TOTAL EMPLOYMENT OF CAPITAL		23,867	22,637	
Representing:				
ISSUED SHARE CAPITAL OF PILLAR LIMITED	13	2,955	2,728	
SHARE PREMIUM	13	13,299	11,711	
RESERVES	14	2,848	2,894	
PILLAR SHAREHOLDERS' INTEREST		19,102	16,833	
LOAN CAPITAL	16	711	2,222	
OUTSIDE SHAREHOLDERS' INTEREST	17	3,064	2,521	
TAXATION EQUALISATION	19	990	1,061	
TOTAL CAPITAL EMPLOYED		23,867	22,637	

The notes on pages 23 to 31, together with the information on pages 18 and 19, form part of these accounts.



Balance Sheet

at 31st October

		1969	1968
	Notes	£'000	£'000
FIXED ASSETS	6	91	63
UNQUOTED INVESTMENT	7	22	30
		113	93
INTEREST IN SUBSIDIARY COMPANIES	18	24,018	23,148
CURRENT ASSETS			
Debtors		386	864
Cash and bank balances		17	3
		403	867
		24,534	24,108
CURRENT LIABILITIES			
Creditors		621	390
Borrowings under acceptance credits		650	650
Bank overdrafts		1,564	1,366
Current portion of bank and other loans	10	250	—
Proposed final dividend		665	478
		3,750	2,884
		20,784	21,224
<i>Less:</i>			
DEFERRED AND OTHER LIABILITIES			
Bank and other loans	10	1,372	2,369
Other liabilities		—	15
		1,372	2,384
TOTAL EMPLOYMENT OF CAPITAL		19,412	18,840
Representing:			
SHARE CAPITAL			
Authorised:			
37,500,000 (1968—30,000,000) Ordinary Shares of 2s. each		3,750	3,000
Issued:			
29,554,538 (1968—27,284,603) Ordinary Shares of 2s. each, fully paid	13	2,955	2,728
SHARE PREMIUM	13	13,299	11,711
RESERVES	14	2,653	2,247
PILLAR SHAREHOLDERS' INTEREST		18,907	16,686
CONVERTIBLE UNSECURED LOAN STOCK		—	1,651
TAXATION EQUALISATION	19	505	503
TOTAL CAPITAL EMPLOYED		19,412	18,840

J. A. PATERSON }
D. R. MILLER } *Directors*



Notes to the Accounts

1 Basis of Consolidation and Effect of Changes in the Composition of the Group

- (a) The results of subsidiaries acquired during the year have been included in the Group Profit and Loss Account from their effective dates of acquisition. The results of subsidiaries sold during the year have been excluded from their effective dates of sale. The table on page 33 shows how the results have been affected by acquisitions and sales during the year and the preceding year.
- (b) The results of subsidiaries liquidated during the year have been included in the Group Profit and Loss Account for the periods up to their dates of liquidation. The losses, less profits, before taxation so included amounted to £90,000 (1968-£125,000).
- (c) The comparative figures for the preceding year have not been adjusted to reflect the changes in the composition of the Group.

2 Analysis, by territories, of Sales and Profit before Taxation

	<i>Sales to external customers</i>		<i>Profit before Taxation</i>	
	1969	1968	1969	1968
	£'000	£'000	£'000	£'000
United Kingdom	43,855	40,035	3,532	2,582
Canada	10,027	7,975	736	704
Germany	2,283	1,624	102	6
	56,165	49,634	4,370	3,292

The United Kingdom sales include £1,123,000 (1968—£985,000) in respect of goods directly exported.

3 Profit before Taxation

- (a) The profit before taxation, which is arrived at on the basis set out in Note 1, is after charging:

	1969	1968
	£'000	£'000
Depreciation—see (b) below	790	773
Amortisation of tools and dies	406	374
Directors' emoluments, including pension contributions:		
In respect of services as directors	5	3
In respect of other services	135	94
	140	97
Auditors' remuneration (of which £6,000 (1968—£4,000) relates to Pillar Limited)	74	62
Rents payable	381	328
Interest payable (gross):		
Bank loans and overdrafts	613	461
6% Convertible unsecured loan stock 1983/88	33	102
Loans repayable within five years	28	72
Other loans	102	118
	776	753
and after crediting:		
Income from unquoted investments (gross)	17	60

- (b) Depreciation has been provided on freehold and long leasehold land and buildings only in special circumstances and amounted to £26,000 (1968—£24,000).



Notes to the Accounts

3 Profit before Taxation (*continued*)

(c) Directors' emoluments (excluding pension contributions but including profit sharing):

(i) The emoluments of the Chairman amounted to

(ii) The other directors, apart from those who discharged their duties wholly or mainly outside the United Kingdom, received emoluments within the following ranges per annum:

Up to £2,500
£2,501 to £5,000
£7,501 to £10,000
£10,001 to £12,500
£12,501 to £15,000
£17,501 to £20,000
£25,001 to £27,500

1969	1968
£29,221	£21,608
7	6
—	1
—	3
—	1
4	—
—	1
1	—

(d) Emoluments of United Kingdom employees:

United Kingdom employees, other than directors of Pillar Limited, received emoluments including profit sharing within the following ranges per annum:

£10,001 to £12,500
£12,501 to £15,000

1969	1968
3	2
1	2

4 Taxation

The taxation charge is made up as shown below:

United Kingdom Corporation Tax at 45% (1968—42½%)

Less: Double taxation relief

Overseas taxation

Transfer to taxation equalisation

Less: Relief in respect of losses of subsidiaries incurred prior to the acquisition of a controlling interest therein (including £16,000 overseas taxation (1968—£55,000))

1969	1968
£'000	£'000
1,638	1,144
39	34
1,599	1,110
443	395
18	15
2,060	1,520
101	107
1,959	1,413

It is expected that certain group companies will have material taxation losses available to offset profits, including capital profits earned by those companies in future years; it is not possible to quantify such losses with any substantial accuracy at this time.

Notes to the Accounts

5 Fixed Assets of the Group

	<i>Land and buildings</i>	<i>Plant, machinery, fixtures and motor vehicles</i>	<i>Relay television installations and sets on rental</i>	<i>Total</i>
	£'000	£'000	£'000	£'000
Cost or valuation:				
At 31st October, 1968	4,277	6,669	1,273	12,219
Adjustments arising on changes in exchange rates of overseas currencies	14	34	—	48
Attributable to subsidiaries acquired	18	84	—	102
	4,309	6,787	1,273	12,369
<i>Less:</i> Attributable to subsidiaries sold or liquidated	216	292	1,273	1,781
	4,093	6,495	—	10,588
Additions	625	1,633	—	2,258
Investment grants	—	(90)	—	(90)
Surplus on revaluation	46	—	—	46
	4,764	8,038	—	12,802
<i>Less:</i> Disposals	362	382	—	744
At 31st October, 1969—see (a) below	4,402	7,656	—	12,058
Depreciation:				
At 31st October, 1968	174	3,264	621	4,059
Adjustments arising on changes in exchange rates of overseas currencies	—	10	—	10
Attributable to subsidiaries acquired	6	28	—	34
	180	3,302	621	4,103
<i>Less:</i> Attributable to subsidiaries sold or liquidated	3	182	621	806
	177	3,120	—	3,297
Depreciation for the year	63	727	—	790
Depreciation adjustments relating to prior periods	(9)	(7)	—	(16)
	231	3,840	—	4,071
<i>Less:</i> Attributable to disposals	20	265	—	285
At 31st October, 1969	211	3,575	—	3,786
Net book value at 31st October, 1969—see (b) below	4,191	4,081	—	8,272
Tools and dies—net book value at 31st October, 1969 (1968—£437,000)				392
				8,664

(a) Freehold and leasehold land and buildings are included on the following bases:

Valuation in subsidiaries:	£'000
1961	130
1964	293
1966	776
1968—see below	140
Cost to Pillar Limited or its subsidiaries	3,063
	<u>4,402</u>

The land and buildings of a subsidiary were valued in March, 1968 by D. E. & J. Levy on an open market basis and this valuation was incorporated in the accounts of that subsidiary in the year ended 31st October, 1969.

The other fixed assets are included at cost to Pillar Limited or its subsidiaries after deducting investment grants receivable.

(b) The net book value of land and buildings at 31st October, 1969 comprises:

	£'000
Freeholds	2,840
Long leaseholds (leases with more than 50 years unexpired)	1,050
Short leaseholds	301
	<u>4,191</u>



Notes to the Accounts

6 Fixed Assets of Pillar Limited

Cost:	
At 31st October, 1968	
Additions	
<i>Less:</i> Disposals	
At 31st October, 1969	
Depreciation:	
At 31st October, 1968	
Depreciation for the year	
<i>Less:</i> Attributable to disposals	
At 31st October, 1969	
Net book value at 31st October, 1969	

<i>Leasehold premises (short leases)</i>	<i>Fixtures and motor vehicles</i>	<i>Total</i>
£'000	£'000	£'000
47	38	85
—	45	45
47	83	130
—	9	9
47	74	121
8	14	22
3	10	13
11	24	35
—	5	5
11	19	30
36	55	91

7 Unquoted Investments

The unquoted investments were revalued by the directors as at 31st October, 1967, and are stated below at the revalued amounts (with subsequent additions at cost), less amounts written off:

Pillar Limited:	
At valuation	
<i>Less:</i> Amount written off	

Subsidiaries:	
At valuation or cost	
<i>Less:</i> Amount written off	

1969	1968
£'000	£'000
37	37
15	7
22	30
262	291
98	—
164	291
186	321

The Group's holding in certain of the unquoted investments is in excess of one-tenth of the nominal value of the class of shares in issue. In the opinion of the directors, none of the investments materially affected the amount of the profit or the assets of the Group, nor does their value materially differ from the amounts at which they are stated in the accounts.

8 Stocks and Work in Progress

Stocks and work in progress have been valued at the lower of cost and net realisable value. Cost is made up substantially of direct materials, direct labour and the appropriate proportion of overheads.

9 Bank Overdrafts

Bank overdrafts of subsidiaries amounting to £1,067,000 (1968—£762,000) are secured.



Notes to the Accounts

10 Loans included in Deferred and Other Liabilities

Pillar Limited:

Bank term loans—repayable between 1st November, 1969 and 1st November, 1973
 —repayable 12th June, 1972
 —repaid 13th May, 1969
 Other loan —repayable 30th April, 1970

Total for Pillar Limited (of which the current year's portion of £250,000 (1968 Nil) is included under current liabilities)

Subsidiaries:

Bank term loans—repayable at varying dates up to 15th December, 1974 (of which £260,000 (1968—£105,000) is secured)
 Other loans —repayable wholly before 31st October, 1974
 —repayable wholly or in part after 31st October, 1974:
 by instalments over varying periods up to 1989 (interest rates between 7 per cent. and 8½ per cent.)
 on 20th November, 1976 (interest rates 8½ per cent. and 11 per cent.)
 (Of the other loans £685,000 (1968—£807,000) is secured)

Less: Current year's portion included under current liabilities

1969	1968
£'000	£'000
1,000	1,000
472	435
—	784
150	150
1,622	2,369
1,067	417
177	407
371	315
306	246
3,543	3,754
457	172
3,086	3,582

11 Goodwill arising on Consolidation

Balance at 31st October, 1968

Movements in connection with:

Acquisition of interests in subsidiaries

Disposal and liquidation of subsidiaries

Adjustment on public issue of shares by Indal Canada Limited

Balance at 31st October, 1969

Group
£'000
14,103
311
220
(319)
14,315

12 Development and Other Expenditure Carried Forward

The expenditure carried forward, which is stated at cost less amounts written off, relates to subsidiaries and is made up as follows:

- (a) Pre-production expenditure
- (b) Patents
- (c) Loan Stock discount
- (d) Share issue and formation expenses
- (e) Other items

1969	1968
£'000	£'000
132	15
27	12
—	3
—	8
16	13
175	51

It is intended to write off (a) and (e) over various periods not exceeding five years and (b) over various periods not exceeding eleven years.



Notes to the Accounts

13 Share Capital and Share Premium of Pillar Limited

Balances at 31st October, 1968
Movements in connection with:
Acquisition of subsidiaries
Conversion of 6% loan stock
Exercise of share options
Share issue expenses

Balances at 31st October, 1969

<i>Number of ordinary shares of 2s. each fully paid</i>	<i>Nominal value</i>	<i>Share Premium</i>
	£'000	£'000
27,284,603	2,728	11,711
167,602	17	125
2,060,333	206	1,442
42,000	4	25
—	—	(4)
29,554,538	2,955	13,299

14 Reserves

Balances at 31st October, 1968
Add:
Surplus on revaluation of land and buildings

Less:
Losses, *less* profits, on disposal of interests in, and liquidation of, subsidiaries
Adjustment on public issue of shares by Indal Canada Limited
Amount written off unquoted investment
Exceptional items—see below
Sundry capital items

Add:
Profit for the year retained

Balances at 31st October, 1969

Consisting of:
Capital reserves
Revenue reserves

<i>Group</i>	<i>Pillar Limited</i>
£'000	£'000
2,394	2,247
46	—
2,440	2,247
89	216
70	—
98	—
188	—
27	21
472	237
1,968	2,010
880	643
2,848	2,653
861	1,396
1,987	1,257
2,848	2,653

Exceptional items—charged to Group revenue reserves:

Reorganisation and removal expenses
Adjustments on changes in bases of accounting
Prior year adjustments
Other items

Taxation relief thereon (where applicable)

Taxation adjustments relating to prior years (1969 due to the change in rate of United Kingdom Corporation Tax)

Less: Attributable to outside shareholders

1969	1968
£'000	£'000
240	117
17	(2)
—	36
(8)	26
249	177
(115)	(38)
134	139
60	(27)
194	112
6	5
188	107



Notes to the Accounts

15 Profit dealt with in the Accounts of Pillar Limited

Profit after taxation, including interest and dividends from subsidiaries

1969	1968
£'000	£'000
1,751	1,363

16 Loan Capital

Pillar Limited:

6% Convertible unsecured loan stock 1983/88

Subsidiaries:

4½% Debentures (redeemable at the option of the subsidiary)

7% Unsecured loan stock 1970

7½% Unsecured loan notes

8½% Debenture stock 1987/92

1969	1968
£'000	£'000
—	1,651
91	91
80	80
140	—
400	400
711	2,222

17 Outside Shareholders' Interest

The interest of outside shareholders in the net assets of the Group is as follows:

In tangible assets

In intangible assets

1969	1968
£'000	£'000
1,900	1,607
1,164	914
3,064	2,521

18 Interest in Subsidiary Companies

The interest in subsidiaries was revalued by the directors as at 31st October, 1967, and is stated below at the revalued amounts (with subsequent additions at cost), less amount written off:

Investments

Amounts owing by subsidiaries, including £1,973,000 (1968—£1,379,000) gross dividends receivable

Less: Amounts owing to subsidiaries

1969	1968
£'000	£'000
8,403	8,446
18,410	16,470
26,813	24,916
2,795	1,768
24,018	23,148

19 Taxation Equalisation

In respect of fixed assets (of which £5,000 (1968—£3,000) relates to Pillar Limited)

—see (a) below

In respect of the revaluation of interests in subsidiaries—see (b) below

1969	1968
£'000	£'000
490	561
500	500
990	1,061

- (a) The amount in respect of fixed assets included above represents, for the most part, taxation at the appropriate rates including United Kingdom Corporation Tax at a rate of 45% (1968—42½%), on the excess of the book values in the accounts over the written down values for taxation purposes of the fixed assets of the Group that qualify for taxation allowances.
- (b) The amount of £500,000 represents the best estimate, after making reasonable assumptions and taking past losses into account, that can be made in current circumstances, of the potential liability to taxation that would arise if the investments concerned were disposed of at the valuation amounts.

Information relating to the principal subsidiaries of Pillar Limited is set out on pages 18 and 19.

Notes to the Accounts

20 Share Options and Warrants

Pillar Limited:

Under a share option scheme, options have been granted to executives as follows:

Date of Grant	Option price	Number of ordinary shares covered by options				
		Outstanding at 31st October 1968	Granted during year	Exercised during year	Forfeited during year	Outstanding at 31st October 1969
1st September, 1965	13s. 10d.	263,375	—	38,250	6,500	218,625
7th July, 1966	14s. 10½d.	10,000	—	3,750	—	6,250
1st November, 1968	15s. 9¾d.	—	25,000	—	—	25,000
8th September, 1969	20s. 4¼d.	—	5,000	—	—	5,000
		273,375	30,000	42,000	6,500	254,875

Since 31st October, 1969, options over 3,000 shares have been exercised.

The outstanding options are exercisable from time to time to the extent shown below:

	Up to the aggregate extent of
Within one year from date of grant	Nil
Within two years from date of grant	25%
Within three years from date of grant	50%
Within four years from date of grant	75%
Within seven years from date of grant	100%

Indal Canada Limited:

Indal Canada Limited has outstanding:

(a) 76,440 common share warrants, issued to the holders of the preferred shares and expiring at 31st December, 1975, exercisable at Can.\$5 per share (subject to adjustment in certain circumstances). 3,560 warrants were exercised during the year;

(b) Stock options in respect of 7,000 common shares exercisable at Can.\$4 per share up to 11th January, 1972. Options over 3,500 shares were exercised during the year.

If all these shares were issued the Group's interest in Indal Canada Limited would be reduced from 64.9% to 59.7% of the equity.

21 Contingent Liabilities and Capital Commitments

	Group £'000	Pillar Limited £'000
(a) There were contingent liabilities at 31st October, 1969, in respect of:		
(i) guarantees of bank loans, overdrafts and mortgages of:		
subsidiaries	—	673
unquoted investment	29	29
	29	702
(ii) bills of exchange discounted by subsidiaries	140	—
(iii) the uncalled capital of an unquoted investment	49	—
(iv) guarantees by Pillar Limited in respect of the performance of certain building contracts entered into by a former subsidiary but in respect of which Pillar Limited has a corresponding counter indemnity from a third party.		
(v) claims for damages made on certain subsidiaries in Canada in respect of which no material liability is expected to arise.		
(vi) a guarantee by Pillar Limited in respect of mortgage interest of £25,400 per annum payable by a subsidiary for a further seven years.		
(b) Provision has not been made in these accounts in respect of the following:		
(i) capital expenditure:		
contracts entered into	486	—
authorised but not contracted for	242	—
(ii) the purchase of preference shares in a subsidiary by annual instalments on 31st March from 1970 to 1972	63	—
(iii) increases in the purchase considerations for certain subsidiaries which will be determined by reference to future profits. The amount payable if based on the results to 31st October, 1969, would be	424	424
(iv) since 31st October, 1969, agreement has been reached with the outside shareholder of a subsidiary for the purchase of its shareholding. The amount payable which will be satisfied by the issue of Pillar Limited shares is	325	325

Notes to the Accounts

21 Contingent Liabilities and Capital Commitments (*continued*)

	<i>Group</i> £'000	<i>Pillar</i> <i>Limited</i> £'000
(c) Options have been granted to outside shareholders of certain subsidiaries whereby, at varying future dates, Group companies may be required to purchase their shareholdings at prices related to future profits. The total cost, if based upon the results to 31st October, 1969, would amount to	999	869
(d) (i) A third party has been granted an option exercisable until 30th April, 1970, to acquire the whole of the Group's interest in a subsidiary with effect from 1st April, 1970. The consideration is based upon a fixed amount, to be adjusted dependent upon the net assets of the subsidiary at 31st March, 1970.		
(ii) Third parties have been granted options exercisable in certain circumstances up to 31st December, 1985, to acquire all of the Group's interest in two subsidiaries. If these options were exercised, the sale proceeds would, at the present level of earnings of the subsidiaries concerned, be not less than the valuations attributed to these interests.		
(e) Of the amounts shown for (a) to (c) above, there would be payable in overseas currencies, by Group companies resident in the United Kingdom, the equivalent of	62	396

22 Conversion of Overseas Currencies

Balance Sheet amounts have been converted at the rates ruling at the Balance Sheet dates and profits and losses at the rates ruling when they accrued.

Report of the Auditors to the Members of Pillar Limited

In our opinion, based on our examination and the reports of the auditors of certain subsidiaries not audited by us, the accounts set out on pages 18 to 31 together give a true and fair view of the state of affairs at 31st October, 1969, and of the profit for the year ended on that date and comply with the Companies Acts 1948 and 1967.

ARTHUR YOUNG McCLELLAND MOORES & CO.,
COOPER BROTHERS & CO.,

London, 4th March, 1970.

Chartered Accountants.

Group Financial Statistics

SALES AND PROFITS

	Year 1968/69	Year 1967/68	15 months 1966/67	Year 1965/66	Year 1964/65
	£'000	£'000	£'000	£'000	£'000
Sales	56,165	49,634	46,245	27,000	21,000
Profit before taxation and interest	5,074	4,018	3,094	2,101	1,491
Interest payable, less receivable	704	726	718	456	329
Profit before taxation	4,370	3,292	2,376	1,645	1,162
Taxation	1,959	1,413	1,014	695	465
Profit after taxation	2,411	1,879	1,362	950	697
Outside shareholders' interest	423	337	244	191	128
Profit attributable to Pillar shareholders	1,988	1,542	1,118	759	569
Dividends	1,108	853	927	422	249
Profit retained	880	689	191	337	320
Depreciation	790	773	677	371	306
Profit retained plus depreciation	1,670	1,462	868	708	626
Profit before taxation and interest as a % of sales	9.2	8.1	6.7	7.8	7.1

OTHER STATISTICS

Number of 2s. shares issued at period end (000's)
 Gross dividends declared % (1966/67 annualised)
 Equity Earnings (1966/67 annualised)—%
 per share

London Stock Exchange " High "
 London Stock Exchange " Low "

29,555	27,285	24,186	15,835	15,234
37.5	32.5	32.5	32.5	32.5
67.3	56.5	36.7	46.7	37.3
16.2d.	13.6d.	8.8d.	11.2d.	9.0d.
21s. 0d.	17s. 9d.	12s. 10d.	14s. 3d.	16s. 6d.
15s. 4d.	9s. 2d.	9s. 6d.	9s. 6d.	12s. 3d.

NOTES:—

- (1) The composition of the Group has changed substantially over the past five accounting periods. The figures set out above have not been adjusted to reflect this.
- (2) No account has been taken in the above figures of exceptional items. Taxation in 1967/68 and 1968/69 is after crediting relief from pre-acquisition losses.
- (3) The cost of dividends for 1964/65 and 1965/66 is not comparable with that of subsequent periods.
- (4) Equity earnings have been calculated on the profit attributable to Pillar shareholders, by reference to the number of shares ranking for the final dividend. No adjustments have been made in respect of the rights issues in 1964/65 and 1966/67 or the conversion of the 6% Loan Stock.
- (5) All statistics relate to the relevant accounting period except for the Stock Exchange " High/Low " prices, which relate to the five years ended 31st December, 1969.

Group Financial Statistics continued

COMPARATIVE ANALYSIS OF RESULTS

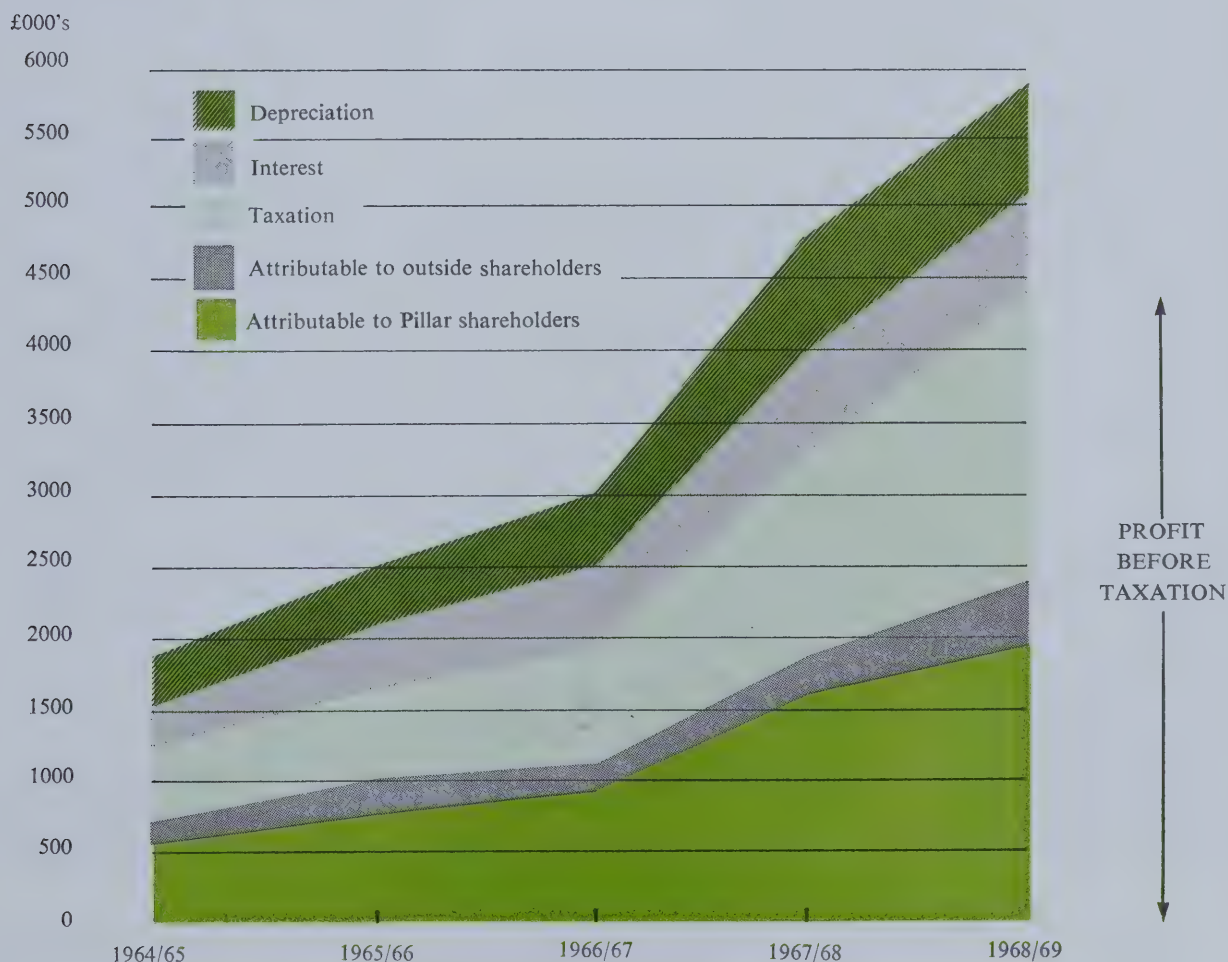
Companies in the group both at 31st October, 1967 and 31st October, 1969
Companies acquired 1967/68—with effect from 1st November, 1967

Comparable companies
Companies acquired 1967/68—at various dates
1968/69—at various dates
Companies sold 1968/69—at various dates

Sales to external customers	
1968/69	1967/68
£'000	£'000
47,732	43,032
4,283	3,488
52,015	46,520
3,565	2,479
523	—
62	635
56,165	49,634

Profit before Taxation	
1968/69	1967/68
£'000	£'000
3,453	2,683
780	495
4,233	3,178
172	59
(25)	—
(10)	55
4,370	3,292

FIVE YEAR ANALYSIS OF PROFITS



Note: The accounting period for 1966/67 covered 15 months and the profit before taxation for that period was £2,376,000. However, for the sake of clarity, this has been shown at the annualised rate of £1,901,000.

Group Financial Statistics continued

PILLAR SHAREHOLDERS' INTEREST

Fixed assets
Unquoted investments
Net current assets
<i>Less:</i>
Deferred and other liabilities
Loan capital
Taxation equalisation
<i>Less</i> Proportion in respect of revaluation of subsidiaries

Outside shareholders' interests
<i>Less</i> Proportion applicable to intangible assets

Pillar Shareholders' interest in net tangible assets

Goodwill and other intangibles
<i>Less:</i>
Proportion of taxation equalisation relating to revaluation of interests in subsidiaries (as above)
Proportion of outside shareholders' interests relating to intangible assets

Pillar Shareholders' interest in intangible assets

PILLAR SHAREHOLDERS' INTEREST

31st October			31st July	
1969	1968	1967	1966	1965
£'000	£'000	£'000	£'000	£'000
8,664	8,597	6,776	4,982	4,199
186	321	385	1,420	1,605
4,390	3,929	3,203	347	828
13,240	12,847	10,364	6,749	6,632
3,863	4,364	2,740	1,599	1,173
711	2,222	2,390	2,261	2,278
990	1,061	901	286	210
500	500	500	—	—
490	561	401	286	210
3,064	2,521	2,249	1,464	1,109
1,164	914	508	229	154
1,900	1,607	1,741	1,235	955
6,964	8,754	7,272	5,381	4,616
6,276	4,093	3,092	1,368	2,016
14,490	14,154	11,932	6,890	6,412
500	500	500	—	—
1,164	914	508	229	154
1,664	1,414	1,008	229	154
12,826	12,740	10,924	6,661	6,258
19,102	16,833	14,016	8,029	8,274

NOTES:—

- (1) The composition of the Group has changed substantially over the past five accounting periods. The figures set out above have not been adjusted to reflect this.
- (2) The revaluation of interests in subsidiaries in the 1967 accounts had the effect of increasing the goodwill on consolidation by £1,851,000, a corresponding amount being credited to capital reserve. The potential taxation liability in respect of this surplus, estimated at £500,000, was transferred to taxation equalisation. As the effect of the revaluation was only to increase the intangible assets, this £500,000 has been deducted from taxation equalisation in arriving at the net tangible assets attributable to Pillar shareholders.

Aero Services – Dart Overhaul



Air Engine Services Limited is the only aero engine overhaul agency in the United Kingdom equipped, with its own purpose-built test beds and repair facilities, to handle both Rolls-Royce "Dart" turbo-prop and Pratt & Whitney radial engines.

Over 5,000 Dart engines are now in service with a wide variety of aircraft, including the Viscount, Fokker Friendship, AVRO HS.748 and others.

The picture shows a Dart sub-assembly shop, which is part of the overhaul base of Air Engine Services at Blindley Heath.



New Ventures in Canada



Above:

The prospects of RAM Partitions Limited, which manufactures folding fabric doors and moveable flat steel walls, are extremely promising. These products are used in educational institutions, offices, hotels and hospitals. For assembly purposes, the folding fabric doors are suspended from scaffolding and covered with vinyl fabric.



Left:

The Plastics Division of Indal Products Limited is manufacturing plastic track for the new Superfast "Matchbox" cars sold by Lesney Products & Co. Limited.

